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DEPARTMENT OF NATURAL RESOURCES

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Division of Oil, Gas and Mining

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Inspection Report Minerals Regulatory Program August 25, 2010

Reviewed: PRG

Mine Name: Southern White/ Mountain Rose	Permit Number: S/001/0047
Operator Name: Great American Resources, LLC	Inspection Date: 06/23/2010
Inspector(s): Brett Gregory for Tom Munson <u>B</u>	Time: 10:30 am
Other Participants: None	Mine Status: Active

Elements of Inspection	Evaluated	Comment	Enforcement
1. Permits, Revisions, Transfer, Bonds	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Public Safety (shafts, adits, trash, signs, highwalls)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Protection of Drainages / Erosion Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Deleterious Material	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Roads (maintenance, surfacing, dust control, safety)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Concurrent Reclamation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. Backfilling/Grading (trenches, pits, roads, highwalls, shafts, drill holes)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Water Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Soils	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Revegetation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Air Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Other	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Permit fee: Current

Bond Amount: \$18,600 (Cash)

Purpose of Inspection:

The main purpose of this inspection was to establish GPS data for a boundary compliance map. Apparently the previous inspection by the Division had problems with the handheld device and a boundary determination was unsuccessful.

Inspection Summary:

The mine is located on private patented mining claim property surrounded by Bureau of Land Management (BLM) surface ownership and School and Institutional trust lands Administration (SITLA) mineral ownership. There are two distinct mining pits associated within this permit, each with relatively large highwalls consisting of jointed limestone. The mine road between each of the two pits is roughly 20 feet wide by 330 yards long and can be seen on the GPS map attached to this document. There were considerable amounts of stockpiled material found in addition to the mining equipment left on site. The photographs below show what appears to be nearly pure white calcite stockpiled at the upper pit, along with an iron oxide limestone at the base of the lower pit. No mining activity was occurring during this inspection. Some minor garbage and fifty gallon containers were present on site. If the fifty gallon containers contain toxic material, they will require proper storage containment and identification.

The newly created GPS map indicates the mine is larger than what is allowed for a small mining permit. The operator needs to file for a large mining operation (LMO) and upgrade the current reclamation bond to account for the increase in size of the mining area.



Inspection comments:

1. The reclamation bond needs to be escalated from the current \$18,600 to \$33,800 in order to account for a minimum of seven acres disturbance. The operator should contact lead Penny Berry of the Division to work out the surety requirements for this site.
2. Dilapidated mining equipment and related garbage should be removed to a landfill or salvaged for scrap iron.
6. Concurrent reclamation may reduce the amount of surety required and help to maintain a disturbance footprint consistent with that of a small mining operation.
12. Photographs and a GPS map are attached documenting the conditions of the mine.

Conclusions and Recommendations:

The operator needs to file for a large mining permit and post an adequate surety for the actual disturbance on the ground. The current surety should increase by the amount of \$15,200 dollars. The large mining permit application may be obtained by contacting the surety coordinator (Penny Berry) at 801-538-5291. The Division will continue to monitor the site when in the area.

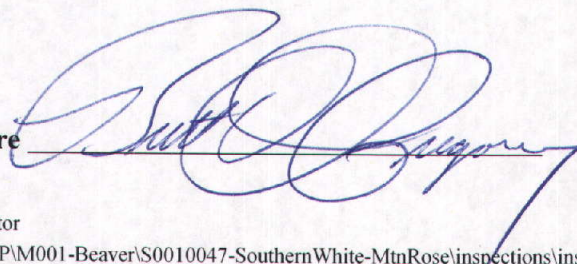
Inspector's Signature

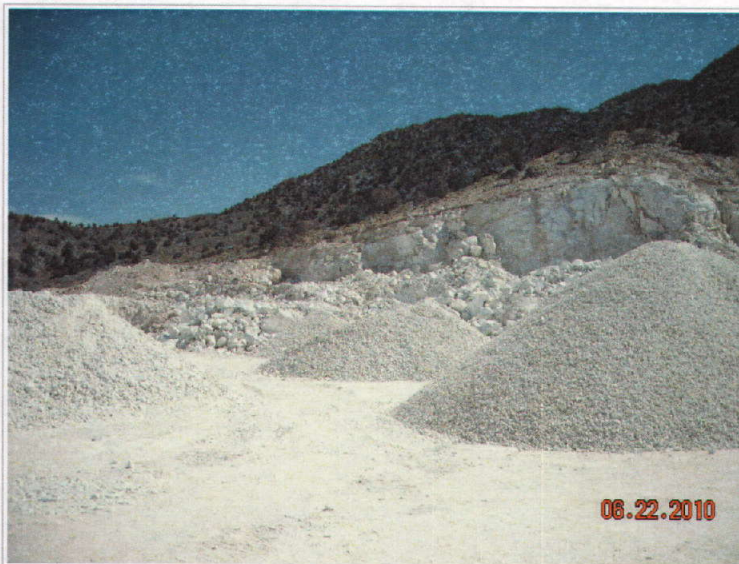
BG: tm, pbb, vs

Enclosure: GPS map

cc: Gary Applegate, Operator

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Upper pit with crushed limestone.



Top of highwall looking down on upper pit.



Oil container.



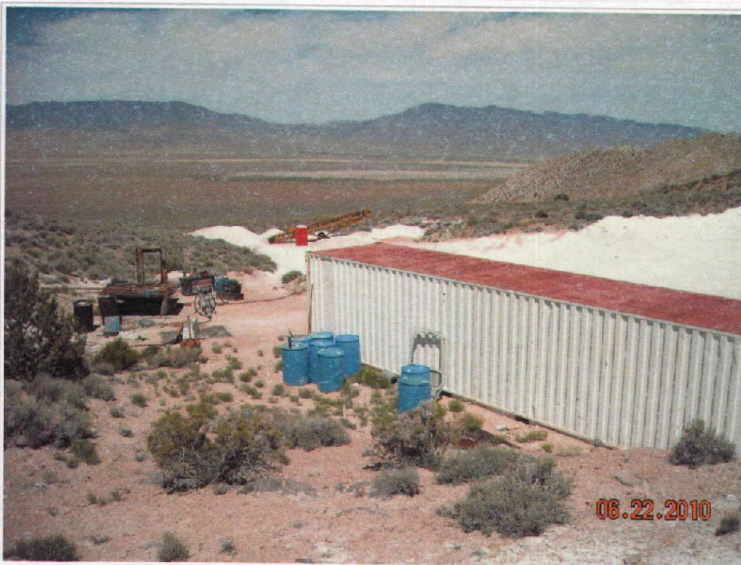
Mine road joining the lower and upper pits.



Jointed limestone and highwall of the lower pit.



Working surface of lower pit.



Semi trailer with unknown barrels.



Access gate.



Dilapidated mining equipment.



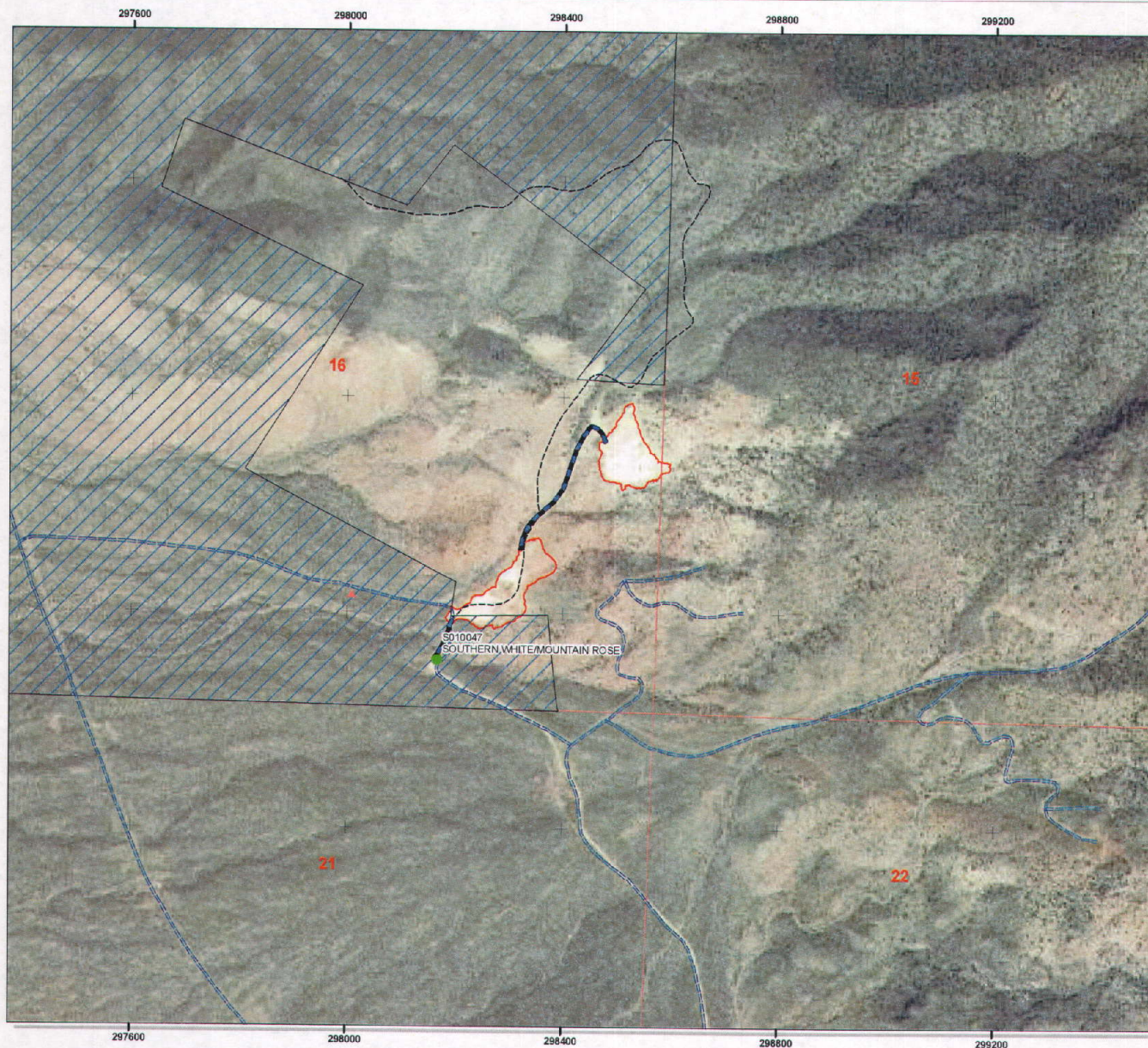
Mining equipment.



Minor garbage.



Scrap iron.



Mine Number: S010047
Mine Name: SOUTHERN WHITE/MOUNTAIN ROSE

Township 27.0 S Range 13.0 W Section 15

Meridian: SLBM

6/30/2010

Map Produced by DKS

Acres Disturbed	6.0
Acres Regraded	0
Acres Seeded	0
Road Acres Disturbed	0.43

Total Acres Disturbed	6.43
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Acres Released	0
Acres Excluded	0
Acres PreExisting	0
Acres Prelaw	0

Legend

All items symbolized in legend may not be appear on map

- | | |
|-----------------|-------------------------|
| Interstate | Disturbed |
| US Route | Regraded |
| State Route | Seeded |
| Primary Route | Released |
| Secondary Route | Excluded |
| Main Dirt Road | Pre Existing |
| Unimproved Road | Prelaw |
| Interchange | Proposed |
| Trail | SITLA Mineral Leases |
| Access | BLM Saleable Minerals |
| Mine | BLM Mining Notices |
| NonMine | Community Pt |
| Reclaimed | SITLA Mineral Ownership |
| Other | |

NAIP imagery date 2006



Dept. of Natural Resources
 Division of Oil, Gas, and Mining
 Mineral Mines Program



0 625
 Feet
 1:7,500 1 inch = 625 feet
 Verify Scale

Different data sources and input scales
 may cause misalignment of data layers.
 This product may not meet DODD
 standards for accuracy and content.